United Nations A/C.2/57/SR.12

General Assembly
Fifty-seventh session

Official Records

Distr.: General
19 November 2002

Original: English

Second Committee

Summary record of the 12th meeting
Held at Headquarters, New York, on Thursday, 17 October 2002, at 10 a.m.

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02-64479 (E)

The meeting was called to order at 10.20 a.m.

Agenda item 84: Macroeconomic policy questions (*continued*)

(b) Commodities (*continued*) (A/C.2/57/L.5)

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Introduction of draft resolutions A/C.2/57/L.5, L.3, L.6 and L.4.

1. **Mr. Vallenilla** (Venezuela) introduced draft resolutions A/C.2/57/L.5, A/C.2/57/L.3, A/C.2/57/L.6 and A/C.2/57/L.4 on behalf of the Group of 77 and China.

Introduction of draft resolution A/C.2/57/L.7

2. **Mr. Chave** (Switzerland) introduced draft resolution A/C.2/57/L.7 on behalf of its sponsors.

Agenda item 86: Sustainable development and international economic cooperation (A/57/202, A/57/203, A/57/331, A/57/422-S/2002/1064)

(a) Implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of the Economic Growth and Development of the Developing Countries, and implementation of the International Development Strategy for the Fourth United Nations Development Decade (A/57/216 and Corr.1, A/57/444)

(b) Integration of the economies in transition into the world economy (A/57/288)

(c) Culture and development (A/57/226)

(d) High-level dialogue on strengthening economic cooperation for development through partnership (A/57/388, A/57/118 and Add.1, A/57/444)

3. **Mr. Kinniburgh** (Director, Development Policy Analysis Division, Department of Economic and Social Affairs), introducing the reports of the Secretary-General under item 86 (a) and (b) (A/57/216 and A/57/288), said that the two reports shared a common historical background. The process of economic transition had started shortly before the Declaration on international economic cooperation and the Strategy for the Decade had been drafted and due to come into effect. During the 1990s, both groups of countries had encountered economic difficulties followed by periods of positive growth. However, there had been pronounced differences in economic performance both within the group of economies in transition and among the developing countries as a whole during the past decade.

4. The two reports reviewed developments in the key economic dimensions of globalization, namely trade and international capital flows, for each of the two groups of countries. By those measures, a number of developing countries had become more effectively integrated into the world economy as the 1990s had progressed, and those countries had been joined by a number of economies in transition which had built functioning market economies. Both groups of countries had been able to benefit from globalization by successfully competing in international markets. Through the expansion of international trade and by attracting foreign direct investment, they had raised their rates of economic growth and were reducing poverty and achieving their other development goals.

5. Nevertheless, a far larger number of countries had been unable to integrate themselves into the world economy in that manner, as they lacked the means to adjust their economies in order to take advantage of the benefits of globalization. Such countries had weaker productive and financial bases and inadequate human and institutional resources. In several instances, their difficulties had been exacerbated by negative aspects of globalization, such as fickle private financial flows and volatile, declining commodity prices. For those countries growth had been slow, and poverty had not diminished: to the contrary, in several cases it had increased.

6. As noted in the Millennium Declaration, the benefits of globalization had been unevenly shared while its costs were unevenly distributed. The challenge remained to ensure that globalization became a positive force for all the world's people. To that end, the international community had taken further steps to mitigate the negative aspects of globalization. The Monterrey Consensus and the Plan of Implementation adopted more recently by the World Summit on Sustainable Development, combined with the goals and commitments embodied in the outcomes of previous global conferences, constituted the de facto international development strategy for the current decade.

7. The General Assembly had begun examining the performance of the international community in its annual reviews of the implementation of the Millennium Declaration. To date, results had been mixed. Lack of progress had been exacerbated by slow growth of the world economy. There was therefore a need for additional efforts to ensure that growth in developing countries was revitalized as soon as possible. Without such efforts, sectoral goals and targets were less likely to be met, particularly in the regions where that was most necessary.

8. **Mr. Kyazze** (United Nations Educational, Scientific and Cultural Organization (UNESCO)) said that the note by the Secretary-General under item 88 (c) (A/57/226) transmitted a report by the UNESCO Director-General highlighting the major developments in promoting awareness of the crucial relationship between culture and development.

9. A major achievement in advancing linkages between culture and development had been the adoption by the UNESCO General Conference in 2001 of the Universal Declaration on Cultural Diversity and action plan for its implementation. The Declaration represented a landmark in the field of normative action and provided a framework for the drafting of national cultural policies based on the principles of inclusiveness and respect for human rights, including cultural rights, in the overall endeavour to achieve social and economic development. For the first time, the international community had acquired an ethical frame of reference to service the sustainability of development, recognizing cultural diversity as the common heritage of humanity. Similarly, the World Summit on Sustainable Development had clearly acknowledged the importance of cultural diversity as a necessary condition for sustaining any development policy.

10. UNESCO's objective was to place culture at the core of development processes as a common denominator between the economic, ecological and social facets of social and economic development. In order to achieve that, it was crucial to engage in concerted action within the United Nations system to disseminate the Universal Declaration on Cultural Diversity and to implement its action plan. Paragraph 16 of document A/57/226 recommended the endorsement by the General Assembly of the Universal Declaration and the main lines of its action plan, and the proclamation of 21 May as the World Day for Cultural Diversity for Dialogue and Development.

11. **Mr. Khan** (Director, Division for ECOSOC Support and Coordination, Department of Economic and Social Affairs), introducing the report of the Secretary-General under item 88 (c) (A/57/388), briefly reviewed the process through which the idea of a high-level dialogue had evolved out of a proposal made by a developing country nine years previously. The idea of a dialogue based on partnership, shared interest and mutual benefit differed from the normal pattern of discussion in the General Assembly. As mentioned in paragraph 1 of the report, innovative modalities, including round-table discussions and interactive panels and plenary debate and the resulting summary by the President of the General Assembly represented a new way of handling issues of interest to the Committee.

12. The issue of globalization had been placed on the agenda of the United Nations after the first dialogue in 1998. The second dialogue had not been as powerful as the first, because by 2001 attention had shifted to preparations for the International Conference on Financing for Development. Indeed, that preparatory process had been informed by the same approach of building partnership for development, participation of multi-stakeholders and interactive discussions. The report before the Committee covered two elements: the mandate from the General Assembly in resolution 56/190 to propose modalities for the next event; and the mandate emerging from the Monterrey Consensus, which identified and defined a certain role for the high-level dialogue in the overall follow-up to the Conference. The Monterrey development goals were not unrelated to the original objective of the dialogue, which was to address the challenge of globalization,

the need to build partnership for development and the follow-up to financing for development.

13. The report of the Secretary-General reflected the views of Member States and the organizations of the United Nations system and outlined proposals which Member States might wish to take into account in deciding how to proceed. It was important to ensure that the dialogue attracted high-level participation, preferably at the ministerial level. Timing was therefore important. Normally, the event had been held just before the Assembly's general debate. However, if financing for development was one of the issues to be discussed, it might be useful to bear in mind the timing of the autumn meetings of the World Bank and the International Monetary Fund, so as to attract finance and trade ministers as well as those concerned with foreign affairs, development cooperation and the economy.

14. Consideration must also be given to the focus of the dialogue: how it could address the challenge of globalization in a comprehensive way and discuss how the United Nations system and Member States should proceed in order to attain the goals of sustained economic growth, sustainable development and poverty eradication. The key was to combine a clear focus and a holistic approach. The Secretariat had attempted to respond to that challenge in the report, in particular in paragraphs 37, 43, and 45 to 50. In the informal consultations, the Second Committee might therefore wish to take into account the new elements he had just outlined. If financing for development was to be the main focus of the high-level dialogue, provision should be made for the participation of the Bretton Woods institutions and the World Trade Organization, as well as of key stakeholders in the private sector and civil society. The informal consultations should take into account the possible contents of the draft resolution on financing for development, the draft resolution on the World Summit on Sustainable Development and the Monterrey follow-up that was currently under consideration in the plenary. The Secretariat was prepared to provide the necessary support in that endeavour.

15. **Mr. Mezzalama** (Joint Inspection Unit) introduced the report of the Joint Inspection Unit (JIU) entitled "Involvement of civil society organizations other than non-governmental organizations and the private sector in technical cooperation activities: experiences and prospects of the United Nations system" (A/57/118). Stressing the importance of civil society organizations, he said that JIU had felt the need to help civil society to have more organized dealings with the United Nations. The Unit had prepared the report in response to the appeals of the General Assembly, the specialized agencies and the Secretary-General, who had repeatedly called on the international community to mobilize the potential of civil society as an indispensable tool for reaching the goals of the United Nations. The Secretary-General had devoted an entire section of his report entitled "Strengthening of the United Nations: an agenda for further change" to the issue of engaging civil society (A/57/387, paras. 134-141). The JIU report was aimed at supplying more specific elements of information and contributing to an in-depth discussion of the issue.

16. Since many of society's problems could not be solved in isolation, civil society played a crucial role and must cooperate with the United Nations, with the approval and support of host Governments. That approach was endorsed by the Secretary-General and the United Nations System Chief Executives Board for Coordination (CEB) in their comments on the JIU report (A/57/118/Add.1). In preparing the JIU report, he had had to grapple with the question of defining the term "civil society"; his definition was set down in paragraph 12 of the report. The proposal of the Secretary-General, in the aforementioned report (A/57/387, Action 19), to establish a panel of experts to review the relationship between the United Nations and civil society was an invitation to further clarification.

17. Civil society organizations (CSOs) covered sectors that had so far been covered insufficiently or not at all; thus, many of them could not be identified with existing non-governmental organizations (NGOs). Those organizations had gone through a progressive process of diversification. Although they were becoming more and more organized, they had not yet reached the level of recognition necessary to establish a full and fruitful relationship with the United Nations.

18. Non-governmental organizations represented one traditional and well-known expression of civil society. It might be asked why it was necessary to consider civil society organizations specifically and propose flexible structures and mechanisms of cooperation with the United Nations along with the existing ones for non-governmental organizations. He wished to dispel any potential misunderstanding. There should be no

superposition or competition among the components of civil society, namely, NGOs, the private sector and CSOs. Nowhere in the JIU report was it presumed that NGOs and CSOs were two totally separate categories. On the contrary, it was recognized repeatedly that they both belonged to civil society. The report also stressed, however, that some CSOs did not identify themselves with NGOs. With the report on CSOs, the Unit had expanded its exploration of cooperation between the United Nations system and non-State actors.

19. The approach he had outlined provided the background for several of the documents produced by the Secretary-General, as well as a number of legislative bodies. In addition, various agencies of the United Nations system had established internal offices and procedures to deal with civil society organizations. The JIU report devoted an entire chapter to the relationship of CSOs with the organizations of the United Nations system. Against that background, the report presented a set of recommendations aimed at: (a) involving CSOs in all stages of elaboration of technical cooperation programmes, especially at the community level; (b) establishing their legitimacy and accountability; (c) proposing flexible guidelines to govern the partnership, including focal points; (d) training and empowering CSOs and strengthening their organizational structures, including through the participation of women. The Secretary-General and CEB (A/57/118/Add.1) had welcomed the report, supporting the conclusions and most of the recommendations set forth therein.

20. **Mr. Sevilla** (Chief Executives Board for Coordination), speaking on behalf of the CEB Secretariat, said that the report of the Joint Inspection Unit on civil society organizations (A/57/118) had been generally welcomed throughout the system as a useful addition to the growing body of work on the subject, especially in relation to the possible contributions of CSOs in the system's efforts to achieve the millennium development goals. The Chief Executives Board for Coordination concurred with the observations contained in the report and supported the report's recommendations for CSO involvement in technical cooperation activities in developing countries. Many CEB members wished to underscore the fact that system-wide experiences over the last 50 years in partnering with CSOs varied considerably.

21. Members of CEB did not differentiate between NGOs and CSOs, nor did they subscribe to the concept of the two being separate categories. The Board had noted that the relationship between CSOs and the organizations was continually evolving. The JIU report's focus on process issues was helpful up to a point, but the real challenge was how to manage that complex and dynamic relationship in order to inform policy development throughout the system. In the view of CEB, collaboration with CSOs must be geared to clear operational and programmatic objectives. A more focused approach on the respective roles and responsibilities of the United Nations system and CSOs and the potential mutual benefits that could be gleaned from their partnerships might have been more helpful.

22. Commenting on the recommendations in the JIU report, he said that CEB generally supported them, but there were several instances where action had already been taken. In that regard, he drew attention to the comments of CEB in document A/57/118/Add.1, paragraphs 10 and 11. Recommendation 2, calling for a standard system-wide framework for technical cooperation with CSOs, was impractical given the great diversity in the areas of specialization of CEB members. For the same reason, CEB members did not see the need for a common set of principles to guide United Nations system engagement with CSOs (recommendation 3(b)) or for policy guidelines leading to actions by the legislative organs within the United Nations system (recommendation 6(a)).

23. With respect to recommendation 4, on the permanent inclusion in the CEB agenda of issues relating to collaboration with CSOs, he pointed out that CEB had regularly dealt with the subject, most recently at its autumn sessions in 1997 and 1999. Its High Level Committee on Programmes (HLCP) also dealt with that matter. At its meeting in Vienna in September, members had noted that, given the heterogeneity of relationships with CSOs among individual CEB member organizations, a general set of "guidelines" applicable to all organizations would be neither meaningful nor helpful. The issue of empowering CSOs, as called for under recommendation 5(a), was confusing, and the concept needed to be clarified. A number of organizations of the system had been engaged over a considerable period of time in capacity-building for CSOs, especially in developing countries. In that context, they supported the idea of providing training for staff at the country level (recommendation 7(a)) involving CSOs and agreed that the United Nations System Staff College in Turin

(recommendation 7(b)) was an appropriate structure for training and sensitizing United Nations staff members in working more effectively with CSOs.

24. The CEB members regarded their relationship with CSOs as important, and welcomed any effort that contributed to a better understanding and better management of the relationship. They appreciated the work of the JIU Inspector. It was, however, their strong sentiment that the report could have been more relevant had it taken fuller account of recent and ongoing actions on the part of CEB as a whole, as well as by the individual organizations of the system, in furthering the status of the United Nations system's collaboration with CSOs within their respective organizational, legal and operational frameworks, particularly in conjunction with its more recent efforts to address the millennium development goals.

25. **Mr. Niño-Gómez** (Venezuela) said that his delegation was surprised that statements were being made on the report of the Joint Inspection Unit, since that question fell under item 121 of the agenda of the General Assembly. He asked the Secretariat to take note of his delegation's objection to the untimely introduction of that item.

26. Speaking on behalf of the Group of 77 and China, he said that the item on sustainable development and international economic cooperation was one to which those delegations attached great importance, particularly since it stressed a new form of cooperation, namely, partnership. They noted with satisfaction the report of the Secretary-General on challenges and progress in implementing the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries and the International Development Strategy for the Fourth United Nations Development Decade (A/57/216 and Corr.1). Although some progress had been made with respect to the 1980s, the central aim of the Strategy and Declaration — to ensure that the 1990s would be a decade of accelerated development in the developing countries —had not been achieved. In fact, the developed countries had de-emphasized the strategy, to the extent that by 2000 only five countries had achieved the goal of earmarking 0.7 per cent of GDP for official development assistance. Some progress had been made with regard to social indicators, but the impact on economic development goals for the developing countries had been minimal, particularly in the case of the least developed countries. Although the report did not present any conclusions, it clearly showed the relationship between the texts adopted at international conferences and that of the Declaration on International Economic Cooperation.

27. The Group of 77 and China wished to stress the need for the developed countries to increase their cooperation with developing countries, especially in the areas specified in their respective national plans. Regional and subregional projects should also receive attention. He urged the Secretariat to promote consultations in that regard.

28. The delegations he represented also attached great importance to the item on culture and development and the report by the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the implementation of General Assembly resolution 55/192 (A/57/226). They supported the recommendations of the Secretary-General concerning the strengthening of cooperation and solidarity with a view to enabling developing countries to gain access to new technologies, master information technologies and establish cultural industries that were viable and competitive at national and international levels.

29. Turning to the question of the high-level dialogue on strengthening international economic cooperation for development through partnership (A/57/388), he stressed the importance of ensuring that the third high-level dialogue was able to discuss concrete proposals aimed at achieving a partnership in which all stakeholders would contribute to making development viable. Member States, civil society, international institutions and non-governmental organizations should all participate actively in that dialogue.

30. **Mr. Christensen** (Denmark), speaking on behalf of the European Union, the Central and Eastern European countries associated with the European Union, the associated countries Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, said that, while most countries with economies in transition, had made considerable progress over the past 10 years towards achieving financial stability and economic growth, the European Union recognized that those countries were at different stages of integration into the world economy. In that regard, it was concerned about the countries that did not fully benefit

from the opening up of the increasingly globalized world economy, especially when it came to trade liberalization.

31. A decision on the enlargement of the European Union would be made at its Summit in Copenhagen in December 2002. The Union's ambition was to conclude accession negotiations with all the candidate countries that were ready by the end of 2002, with the objective of making them full members of the European Union in 2004. The enlargement of the Union would be a historic step that would finally reunite the European continent and contribute markedly to further economic development of the new member States. It would also provide significant opportunities for economic development and integration of the countries that would become neighbours of the European Union following its enlargement and the Union was currently discussing possible options in that regard. Beyond the new neighbours, there were countries with economies in transition at a less advanced stage of integration with high levels of poverty; the attention of the international community should also be directed towards working with them.

32. The European Union was determined to further assist countries with economies in transition integrate into the world economy. While integration was primarily a national responsibility, it also called for international support. In order to increase and attract trade, investment and capital flows and advances in technology, including information technology, countries with economies in transition must continue to develop sound macroeconomic policies, the rule of law and good corporate governance. Furthermore, it was important to establish coherent domestic policies to mitigate the social impact of transition and promote stability and security at the national level. In that regard, it was essential to strengthen institutional capacity and legal frameworks and to develop a transparent, stable and predictable investment climate with proper contract enforcement and respect for property rights, coupled with adequate systems of social protection.

33. The European Union was engaged in the urgent task of continuing the full integration of all economies in transition. In order to complement national efforts, international institutions must support the joint work of integrating those countries into the world economy. As emphasized in the Monterrey Consensus, that had to be done through strengthened technical assistance backed by adequate resources and productive capacity-building programmes. In that regard, the European Union urged United Nations agencies and regional economic commissions to further intensify their efforts to integrate the countries in transition into the world economy.

34. The European Union, which was particularly interested in the high-level dialogue on strengthening international economic cooperation for development through partnership, noted with interest the emerging informal debate on the usefulness of that dialogue. Such informal discussion was obviously focused on the role assigned to the dialogue in the Monterrey Consensus; it was also linked to the role of the General Assembly in the integrated and coordinated follow-up to major United Nations conferences and summits in the economic and social fields.

35. Referring to the report of the Joint Inspection Unit on the involvement of civil society organizations in technical cooperation activities, the European Union believed that greater opportunities should be given to non-State actors in efforts to implement United Nations goals and programmes pursuant to the Millennium Declaration. Such organizations played an important role not only as contributors of technical assistance but also as partners in the design and implementation of policies and programmes through the facilitation of dialogue and capacity-building. The European Union therefore reiterated the importance of the full participation of civil society organizations in the consultative, decision-making and other policy processes.

36. **Mr. Escanero** (Mexico) said that the high-level dialogue should meticulously evaluate progress made thus far with respect to the follow-up to the Monterrey Conference and serve as a platform for identifying what remained to be done. Noting that the reports on financing for development submitted by the Economic and Social Council and other bodies constituted vital inputs for the high-level dialogue, he stressed that all participants in the Monterrey process should be involved in the implementation and evaluation of the agenda, through follow-up, performance reports and position papers. The Second Committee would also have to improve its working methods in the light of the positive results achieved by the Conference in order to enhance its contribution to the common endeavour. The support of the Secretariat and other relevant institutions would also be crucial in that regard.

37. With regard to building bridges between development, finance, trade organizations and initiatives within the framework of the holistic agenda of the Conference, the Monterrey Consensus had noted that the high-level dialogue should also include discussions of a normative nature, involving the participation of other relevant actors, on the implementation of the results of the Conference, including the issue of promoting the coherence and consistency of the international monetary, financial and trading systems. In that regard, it was important for the policy dialogue to emphasize innovative proposals which would make it possible to build on the Monterrey Consensus.

38. In order to enhance the Monterrey follow-up process, there would also be a need to mobilize as many political leaders as possible in relaunching the high-level dialogue. In that regard, the assistance of the Presidents of the General Assembly and the Economic and Social Council, the Chairmen of the Development Committee and the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund (IMF) as well as of the governing bodies of the World Bank, IMF, the World Trade Organization (WTO) and other relevant regional and international bodies, and the United Nations Secretary-General would be needed. In order for the dialogue to be successful, it must be fully inclusive and ensure the participation of all key players, including the private sector and civil society.

39. One of the greatest challenges facing the international community was how to translate the high-level political commitment to promote equitable development at the global level into actions and initiatives which would have increasing impact as part of genuine co-responsibility and a convergence of efforts. While the Doha, Monterrey, Johannesburg and Millennium meetings all had their working methods and follow-up machinery, there were also a number of points of contact which should be used to maximize synergies and results. Implementation of the new programme for sustainable development, which had been fashioned by those meetings, must be measured in terms of concrete results. The Second Committee should define in a transparent and objective manner certain indicators of progress which would reflect progress achieved and setbacks suffered as well as indicating further action needed to consolidate the positive trends. The high-level policy dialogue involving the Economic and Social Council, the Bretton Woods institutions and WTO in April 2003, as well as the subsequent high-level dialogue of the General Assembly, should help to assess the extent to which the basic development goals meshed and the means available for achieving them in the broader context of the integrated and coordinated follow-up of the major conferences and summits of the United Nations.

40. **Mr. Isakov** (Russian Federation) said that the development of an effective mechanism for the coordination in the General Assembly of follow-up to the International Conference on Financing for Development should include a time frame and format for the high-level dialogue, which must have specific form and substance. Its format should enable all interested parties to participate, as they had during the organizational process for the preparation and holding of the Monterrey Conference. The Secretary-General's proposal for a three-day format including interactive dialogue with business circles and roundtables could be a basis for discussion. The Russian Federation was prepared to consider including in the dialogue other major issues directly linked to the problems of financing for development, specifically activities following up the major United Nations conferences and summits and the challenges and opportunities of globalization. It would be logical during the current session to embark on a process of considering the whole gamut of questions involved, with a view to agreeing on the basic parameters of the dialogue at the next stage.

41. The Secretary-General's report in document A/57/388 raised the difficult issue of differentiating between the functions of the spring meeting between the Economic and Social Council and the Bretton Woods institutions and the World Trade Organization and the high-level dialogue in the framework of the General Assembly, since both forums were meant to consider implementation of the decisions of the International Conference on Financing for Development. The basis for such a differentiation should be the specific formats of the two forums, especially in terms of their participants. In the dialogue it would be logical to focus on the coordination of overall political assessments and incentives for further action. At the spring meeting, the focus could be on specific issues of implementation, including the modalities for partnership and the division of labour

among the various partners. As for the time frame for the holding of the dialogue, it would be best to link it with the annual autumn meetings of the IMF and World Bank.

42. The Secretary-General's report on integration of the economies in transition into the world economy (A/57/288) described significant but uneven progress. It was important to ensure that those economies enjoyed normal external conditions for trade, economic and financial activities and gained rapid and equitable entry into the multilateral trading system, with unhindered access to world trade markets. Assistance to countries with economies in transition should continue and concentrate on but not be limited to the neediest among them. Targeted international assistance to the countries of the Commonwealth of Independent States was required in such areas as integration into the multilateral trading system, the restructuring of economies, the development of a market infrastructure, support for small and medium-sized enterprises, strengthening of the financial and banking sector and, especially, establishing favourable conditions for attracting foreign direct investment.

43. **Mr. Talbot** (Guyana) expressed broad agreement with the recommendations in the Secretary-General's report (A/57/388). The high-level dialogue on strengthening international economic cooperation for development through partnership should build on the Monterrey platform by identifying the next policy steps required for further implementation of the Consensus and by taking stock of progress in implementation of commitments and agreements made in Monterrey. It should avoid a renegotiation of the Monterrey Consensus. The dialogue should continue to reinforce the holistic and integrated approach to financing for development by, inter alia, maintaining a balanced focus on national, international and systemic dimensions; identifying areas for further inter-institutional coordination and collaboration to promote coherence and consistency of the international monetary, financial and trading systems; and providing further guidance on building bridges between development, finance, trade organizations and initiatives within the framework of the holistic agenda of the Conference. It should also put greater emphasis on the regional dimension of follow-up.

44. Moreover, the dialogue should maintain the active involvement and participation of all relevant stakeholders. Efforts should also be made to further stimulate a collaborative and interactive approach of various stakeholders at the national level. His delegation recognized that there was an important link between the question of follow-up to the financing for development process and the broader question of the integrated and coordinated follow-up of conferences. However, care should be exercised to ensure that such linkage did not obfuscate the concentrated attention that needed to be paid to the actual follow-up and implementation of the Monterrey Consensus. That linkage could be more fully explored in the context of the item on integrated and coordinated follow-up of conferences, leaving the high-level dialogue to focus on the implementation of the Monterrey Consensus.

45. The outcome of the high-level dialogue should be action-oriented, providing mandates on areas of future work, including issues for the Economic and Social Council high-level dialogue, where a more focused thematic approach could be considered.

46. **Mr. Khan** (Indonesia) stressed the importance of dialogue and partnership to promote broader and deeper understanding of global issues that cut across individual, national, regional and group interests. Global partnership must include all relevant stakeholders at various levels, embracing a broad spectrum of perspectives. It must be rooted in mutual interest and benefits, genuine interdependence and shared responsibility for the promotion of development. Thus, the dialogue should foster complementarities and synergies of cooperation between those stakeholders, including Governments, the United Nations, civil society and the business sector. Owing to its universal, neutral and multilateral nature, the United Nations provided the best framework for establishing appropriate and lasting structures and mechanisms to achieve peace, cooperation and development.

47. As far as the modalities and format for enhancing participation were concerned, existing mechanisms that had already proven successful, such as interactive dialogue among all the actors, round tables at the highest level, and informal panels with a broad cast of stakeholders, should be strengthened. It was important that those mechanisms should contribute to an action-oriented outcome, leading to effective implementation. Moreover, the international community must build on the holistic approach to financing for development, so as to decide on the specific themes to be discussed by convening the high-level dialogue. Where feasible,

multisessional programming should be used, in order to ensure continuity and to facilitate effective preparations, as well as to stimulate dialogue at the national and regional levels. The timing should take into consideration the need to attract high-level intergovernmental participants and other relevant stakeholders and to give them adequate time to interact and to make meaningful contributions to the process.

48. **Mr. Al-Shekaily** (Oman) said that the North-South dialogue should help to implement the resolutions of the Group of 77 and should enhance cooperation and coordination between the northern and southern groups in various economic and scientific fields. Such dialogue should also help the developing countries to confront the economic challenges of globalization. Oman supported the resolutions of the Economic and Social Council concerning follow-up to the International Conference on Financing for Development and other United Nations international meetings aimed at economic cooperation and development.

49. Oman had followed a development plan that would link its economy with that of other countries and reinforce sustainable development. It had participated in the establishment of joint committees for economic cooperation with neighbouring States. Those committees played an important role in bridging the gap between the public and private sectors, and in promoting economic and investment opportunities. Oman had been working to improve economic relations with regional economic coalitions through its participation in the Gulf Cooperation Council and its active membership in the Indian Ocean Rim Association for Regional Cooperation.

50. Trade liberalization, while bringing some benefits to developing countries through foreign capital inflows and technology transfer, would pose great challenges given the competition from the services sector of advanced countries. Oman hoped that the international community would take measures to help the developing countries develop their trade and investment sectors.

51. The increasing debt burden of poor countries was hampering their progress. His delegation called on the developed countries to take decisive and courageous action to cancel or reduce the debts of those countries with the most precarious economies and to implement new lending initiatives. Globalization had created many economic challenges for the developing countries that had opened up their markets. In order to confront those challenges, foreign assistance should be provided, in accordance with approved objectives. His delegation believed that official development assistance remained the main source for aiding developing countries, and lauded the initiative of the European Union, Canada and the United States in increasing their official international assistance.

52. **Ms. Zubčević** (Croatia) said that sustainable development was the ultimate challenge to globalization and to a more equitable distribution of the world's resources. Overall, world economic performance in the 1990s had been better than in the 1980s, owing to vibrant trade and financial flows. However, that improvement had been mainly due to better performance in east Asia and in the majority of countries with economies in transition. Countries in sub-Saharan Africa, grappling with armed conflict, rapid spread of HIV/AIDS, limited access to developed markets and heavy external indebtedness, among other things, were still lagging behind. In order to achieve sustainable economic growth, additional resources were required to strengthen the global economic system's support for development as well as good governance at all levels.

53. Stressing the vital importance of integrating countries with economies in transition into the world economy, she noted that the change from planned to market economies in those countries had been accompanied by a major recession, as their industries, unable to operate in a market environment, had been forced to downsize and to lay off workers. Despite those problems, most economies in transition had successfully implemented privatization programmes. However, many problems remained and further divestment of State assets was required before some countries could fully integrate into the world economy. In that regard, policies to promote private sector growth had been a major factor in attracting foreign direct investment to economies in transition. While that had contributed to integration, progress towards constructing a functioning market economy and achieving sustainable growth had been difficult. In that connection, international investment was needed to release the considerable human, technological and natural resources that had previously been underexploited. Those countries' further integration into the world economy should bring benefits not only to their citizens but also to their current and potential

trading partners. In the case of countries emerging from conflicts, international assistance was particularly critical to set them on the path to peaceful development and establishing mutually beneficial economic ties with their neighbours.

54. Croatia had liberalized more than 80 per cent of its international trade. While it still had problems, it had, inter alia, increased GDP growth to 4.1 per cent in 2001 and initiated reforms in public administration, health, retirement funds and welfare. Its international credit rating had improved and it had concluded standby arrangements with the International Monetary Fund. Moreover, Croatia fully supported and actively participated in many regional initiatives such as the Stability Pact for South-Eastern Europe and the Central European Initiative.

55. Her delegation strongly supported a biennial high-level dialogue in the General Assembly to enhance the coherence and consistency of the international monetary, financial and trading systems in support of development as a follow-up to the International Conference on Financing for Development and to other major conferences and summits. That would bring together relevant stakeholders, including the Bretton Woods institutions, WTO, civil society and the business sector. In that regard, the Economic and Social Council must remain the key institution. Its spring meeting with the Bretton Woods institutions and WTO should provide input to the high-level dialogue of the General Assembly, which should maintain the broad, holistic approach of the financing for development process.

56. Croatia subscribed to the UNESCO Universal Declaration on Cultural Diversity. It also welcomed the outcome of the third Round Table of Ministers of Culture held recently in Istanbul, which had focused on the role that intangible cultural heritage played in the establishment of a viable model of sustainable development. To that end, she expressed full support to UNESCO in its endeavours to draft a convention on intangible cultural heritage.

57. **Archbishop Martino** (Observer for the Holy See) said that the approach to poverty eradication and to the contribution of information and communication technologies to the development of education, science and culture and the construction of a knowledgeable society had to be based on recognition of human dignity, the protection of human rights and fundamental freedoms and respect for cultural difference and uniqueness. The discussion must focus not on merely protecting culture from those principles of development which might have an impact on it but on enabling culture to complement development just as development must complement culture. The United Nations system provided an excellent forum for such discussions. While it was true that the world had dramatically changed the basic good, human dignity, dreams and aspirations continued to drive the peoples of the world, especially those searching for a better life for themselves and for future generations. The discussion should focus on a better future for all mankind while appreciating the various cultures which made each person unique.

58. **Mr. Ierulescu** (Romania) said that the most important challenge for the countries with economies in transition in their efforts to integrate into the world economy was the development of the private sector. Foreign direct investment would continue to have an important role in their economies as a catalyst for the growth of domestic investment and the competitiveness of enterprises. On that issue, Romania was interested in organizing, in cooperation with UNDP and as a follow-up to the round table on socio-economic reforms in Central and Eastern Europe, held in Romania in June 2001, a second round table, to be held at the beginning of 2003, on promoting foreign direct investment and the lessons to be learned at the national level. On the basis of the outcome of that meeting, a regional workshop could be organized which would focus on developments over the past decade in the transition process and on the opportunities offered by foreign direct investment. As Romania entered the second phase of its transition process, it needed a comprehensive strategy to manage the pressure of the transition process. UNDP had drawn up an agenda for action with a set of policy guidelines. Romania would address the issues concerned and continue to support the active engagement of the organizations of the United Nations system with the countries with economies in transition through policy advice, analytical activities and technical assistance. Such international assistance was of critical importance and should be continued. Romania's general macroeconomic outlook had strengthened considerably in 2001, with inflation forecast to decline to its lowest level since 1995.

59. **Mr. Ivanou** (Belarus), welcoming the Secretary-General's report in document A/57/288 while deploring its inadmissibly late distribution, said that in recent years the countries with economies in transition had made much progress in implementing the necessary reforms to become market economies and to integrate fully into the international economic, trade and financial systems. Belarus had been the first of the countries of the former Soviet Union to regain economic growth, in 1995, and its per capita GDP had been growing ever since although it had received practically no new resources from the international financial institutions between 1996 and the middle of 2001. Market reforms had a key place in Belarus' current programme for social and economic development, and consultations were being held with IMF and the World Bank on that issue, as well as on macroeconomic, structural and social transformations. Belarus, which exported almost 60 per cent of its GDP, was determined to become a fully fledged member of WTO, and was synchronizing its negotiations to join that organization with the pace of its domestic reforms. Progress of the countries with economies in transition towards the required indicators of macroeconomic and financial stabilization, as well as sustained economic growth, was uneven, and had a social price. As a result, many Governments faced the pressing problem of covering the cost of comprehensive reforms of their social and economic systems. Also, the problem of attracting foreign direct investment continued to be of great importance. Continuing international efforts were required to make the market reforms of countries with economies in transition irreversible, with due regard for their social repercussions and to their need to become fully integrated into the world economy.

60. **Mr. Mizukami** (Japan) said that one of the most pressing challenges facing the United Nations and its Member States was to make progress towards the attainment of the Millennium Summit commitments, in particular the millennium development goals, by giving special attention to following up the Monterrey Consensus. That Consensus had specifically referred to the high-level dialogue as the intergovernmental focal point for its general follow-up, along with the spring meeting between the Economic and Social Council and the Bretton Woods institutions. However, those were not the only means by which the United Nations conducted its follow-up work: the Second Committee and the Economic and Social Council should play far greater roles in that area. In that connection, Japan welcomed the trend towards consolidating resolutions relating to macroeconomic policy issues which were directly linked to substantive follow-up of the Consensus. Japan favoured holding the high-level dialogue every two years, well after the spring meeting of the Economic and Social Council and the Bretton Woods institutions but before work began in the Second Committee, and recommended replacing the general debate in the Second Committee with the dialogue. It wished to retain the holistic nature of the Monterrey process in terms of agenda and participants, it being understood that the high-level dialogue would focus on reviewing implementation of the Consensus. The outcome of the dialogue should be a president's summary and not a negotiated text, in order to foster vigorous discussions.

61. **Mr. Shinde** (India) said that the challenges of poverty, hunger and underdevelopment were yet to be addressed in an effective way. While the developing countries continued to face high tariffs, quotas and non-tariff barriers when exporting their goods, and while their external indebtedness had increased, there had been a decline in external resource flows. The international community's performance in the development field would have to improve dramatically if future generations were to be free from hunger, disease and poverty. The millennium development goals and the outcomes of major United Nations conferences and summits had established clear targets in the economic and social fields, and every effort should be directed to achieving them. In 2000, the draft International Development Strategy for the first decade of the millennium had mandated the President of the General Assembly to initiate consultations with all member States, but they had not taken place. They were important for a decision on the draft Development Strategy submitted by the Secretary-General in 2000, and India invited the President of the General Assembly to undertake them, bearing in mind the outcomes of the major United Nations conferences and summits and their respective follow-up processes.

62. The discussions on the high-level dialogue were taking place against the background of the mandate from the International Conference on Financing for Development that the dialogue should be the intergovernmental focal point for the general follow-up to the Conference. India supported a follow-up mechanism that was effective and results-oriented and involved all relevant stakeholders. In India's view, the

high-level dialogue should be held immediately after the autumn meetings of the Bretton Woods institutions in Washington, thereby enabling representatives of the Ministries of Finance to take part. The dialogue might last for two days and should be preceded by adequate preparations. It could consist of a plenary meeting and panel discussions, and a communiqué or declaration from it would send a strong signal that the international community was resolved to address trade, monetary and financial issues in a coherent manner supportive of development. The structure, modalities, agenda and timing of the dialogue should be decided during the current session of the General Assembly.

63. **Mr. Mezzalama** (Joint Inspection Unit), replying to the statement made on behalf of the United Nations System Chief Executives Board for Coordination (CEB), said that there was a distinction, recognized by the Secretary-General, between NGOs and civil society organizations, a number of whose actors did not consider themselves to be NGOs. In the report of the Joint Inspection Unit (A/57/118) an ILO study conducted on behalf of the Advisory Committee on Coordination (ACC) was quoted as stating that civil society had organizational characteristics of its own to justify a distinction from NGOs. Turning to the CEB statement to the effect that there was no need for guidelines, he said that the JIU recommendation had been for flexible guidelines: a number of United Nations agencies had already established independent focal points for civil society organizations which were distinct from NGO focal points and sectors. Finally, with regard to the statement that the issue of empowering civil society organizations was considered to be confusing and that the concept was in need of clarification, he said that any such doubts would be clarified by reading recommendation 5 (a) in conjunction with paragraph 57 of the report of the Joint Inspection Unit (A/57/118).

The meeting rose at 1.10 p.m.